



Infrastructure, environment, buildings

Mr Garry Griffith  
Georgia-Pacific LLC  
951 County Street  
Milan, MI 48160-9610

Subject

Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site  
Former Plainwell Impoundment Time-Critical Removal Action and Plainwell No. 2  
Dam Area Time-Critical Removal Action  
Reduction of Financial Security Proposal

Dear Mr. Griffith

The Administrative Settlement Agreements and Orders on Consent for Removal Action (AOCs) for the Time-Critical Removal Actions (TCRAs) in the former Plainwell Impoundment and the Plainwell No. 2 Dam Area both include a provision allowing the Respondent(s) to reduce the amount of financial assurance to the estimated cost of the remaining work. This letter provides cost estimates for remaining work to support a request from Georgia-Pacific LLC (Georgia-Pacific) to reduce the financial security required for the two Plainwell TCRA projects.

According to Section XXIX, Paragraph 78 of the Former Plainwell Impoundment TCRA AOC (Docket No. V-W-07-C-863), the Kalamazoo River Study Group (KRSG) was initially required to establish and maintain financial security in the amount of \$21,000,000. Section XXIX, Paragraph 80 states that any time the estimated cost to complete the remaining work to be performed for the project has diminished below a previously established value, KRSG would be eligible to submit a proposal to USEPA to request a reduction in the amount of financial security. On January 27, 2009, ARCADIS developed a recommendation for reducing the financial security to \$973,000, based on a demonstration of the estimated costs for the remaining work to be completed in calendar years 2009, 2010, and 2011. Georgia-Pacific presented this cost estimate to the United States Environmental Protection Agency (USEPA), and the proposal to reduce the financial security from \$21,000,000 to \$973,000 was approved by USEPA effective February 21, 2009. As of the date of this letter, the projected cost to complete remaining operation, maintenance, and management (OM&M) activities at the Former Plainwell Impoundment TCRA is estimated at \$230,000 for calendar years 2010 through 2012. OM&M activities include three years (2010 through 2012) of visual observations and repairs, if necessary, of restored bank and in-channel sediment conditions, as well as evaluation of seeded and planted vegetation. Activities in 2013 include transitioning OM&M management to

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February 25, 2010

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Michigan Department of Natural Resources and Environment (formerly Michigan Department of Environmental Quality) as described in Section VIII, Paragraph 18 of the AOC.

According to Section XXVI, Paragraph 72 of the Plainwell No. 2 Dam Area TCRA AOC (Docket No. V-W-09-C-925), Georgia-Pacific was required establish and maintain financial security in the amount of \$8,000,000. Section XXVI, Paragraph 75a states that if the estimated cost to complete the remaining work diminishes below \$8,000,000, a request may be submitted to USEPA to reduce the amount of financial security. The projected cost to complete construction and OM&M at the Plainwell No. 2 Dam Area TCRA is estimated at \$3,910,000 for calendar years 2010 through 2013. Remaining construction activities include, but are not limited to, completion of soil and sediment removal activities on the south side of the river, processing and disposal of excavated material, re-vegetation of the north and south sides of the river, and demobilization of construction equipment and materials. These activities are scheduled to be completed in 2010. OM&M activities include three years (2011 through 2013) of visual observations and repairs, if necessary, of restored bank and in-channel sediment conditions, as well as evaluation of seeded and planted vegetation.

A table summarizing costs for each project for calendar years 2010 through 2013 is included below.

**Total Remaining Costs for Former Plainwell Impoundment TCRA  
and Plainwell No. 2 Dam Area TCRA**

<b>Year</b>	<b>Plainwell TCRA</b>	<b>Plainwell No. 2 Dam Area TCRA</b>
2010	\$ 120,000	\$ 3,850,000
2011	\$ 70,000	\$ 20,000
2012	\$ 20,000	\$ 20,000
2013	\$ 20,000	\$ 20,000
<b>Total</b>	<b>\$ 230,000</b>	<b>\$ 3,910,000</b>

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Mr. Garry Griffith  
February 25, 2010

Based on the information presented in this letter, ARCADIS recommends that the financial security for the Former Plainwell Impoundment TCRA be reduced to \$230,000 and the financial security for the Plainwell No. 2 Dam Area TCRA be reduced to \$3,910,000. This recommendation is submitted in accordance with Paragraph 80 of the Former Plainwell Impoundment TCRA AOC (Docket No. V-W-07-C-863) and Paragraph 75a of the Plainwell No. 2 Dam Area TCRA AOC (Docket No. V-W-09-C-925).

Sincerely,

ARCADIS

A handwritten signature in black ink, appearing to read "Stephen Garbaciak Jr.", with a stylized flourish at the end.

Stephen Garbaciak Jr., P.E.  
Vice President

Copies

Michael Erickson, ARCADIS